

IN THE UNITED STATES DISTRICT COURT

FOR THE EASTERN DISTRICT OF PENNSYLVANIA

UNITED STATES OF AMERICA : **CRIMINAL NO. 08-**

v. : DATE FILED: _____

PAUL JAMES SPEESE : **VIOLATIONS:**
: **18 U.S.C. § 371 (conspiracy - 1 count)**
: **18 U.S.C. § 1014 (false statement to a**
: **bank - 1 count)**
: **18 U.S.C. § 2 (aiding and abetting)**

INFORMATION

COUNT ONE

THE ACTING UNITED STATES ATTORNEY CHARGES THAT:

At all times material to this information:

1. Wachovia Bank, N.A., (“Wachovia”) was a financial institution, the deposits of which were insured by the Federal Deposit Insurance Corporation, Certificate No. 33869.

2. Datavision, Inc. (“Datavision”) was a privately held Pennsylvania corporation with its principal place of business at 539 Jacksonville Road, Warminster, Pennsylvania. As part of its business, Datavision distributed automatic data capture and point-of-sale products and related voice, data and telephone products.

3. Defendant PAUL JAMES SPEESE was the Chief Executive Officer (“CEO”) and a part-owner of Datavision.

4. Datavision and Wachovia were parties to a revolving credit and security agreement (the “Borrowing Agreement”), in which Wachovia agreed to make advances to Datavision from time to time. The amount of these advances was based on an agreed formula

which included, as one factor, the amount of money owed to Datavision for goods or services purchased by customers, commonly known as “accounts receivable.”

5. The Borrowing Agreement required Datavision to submit truthful financial information to Wachovia in periodic reports, including reports of Datavision’s accounts receivable. Each of these periodic reports was referred to as a “Borrowing Base Certificate.”

6. From at least in or about July 2003 through in or about April 2004, in the Eastern District of Pennsylvania, defendant

PAUL JAMES SPEESE

conspired and agreed, with others known to the Acting United States Attorney, to commit an offense against the United States, that is, to knowingly make a false statement to a federally insured financial institution for the purpose of influencing the actions of that financial institution upon a loan, in violation of Title 18, United States Code, Section 1014.

MANNER AND MEANS

7. It was a part of the conspiracy that defendant JAMES PAUL SPEESE and others at Datavision instituted a fraudulent accounting practice for the purpose of falsely inflating the amount of accounts receivable that Datavision reported to Wachovia in its Borrowing Base Certificates under the Borrowing Agreement. Defendant SPEESE, together with others, provided the false information to Wachovia for the purpose of causing Wachovia to loan additional money to Datavision under the Borrowing Agreement.

OVERT ACTS

In furtherance of the conspiracy and to accomplish its objects, defendant PAUL JAMES SPEESE and others committed the following overt acts in the Eastern District of

Pennsylvania and elsewhere:

1. From at least in or about July 2003 through in or about April 2004, defendant PAUL JAMES SPEESE and others at Datavision directed employees to create false and fictitious invoices in Datavision's accounting system for goods or services that had not yet been ordered by Datavision customers.

2. On or about November 30, 2003, defendant PAUL JAMES SPEESE signed and submitted a Borrowing Base Certificate to Wachovia which falsely represented that Datavision's accounts receivable totaled approximately \$6,247,785, when in fact, as defendant SPEESE knew, this representation was false and fictitious.

3. In or about December 2003, defendant PAUL JAMES SPEESE and other executives at Datavision participated in a meeting in which they discussed ways to manipulate Datavision's accounting records in order to inflate the total amount of Datavision's accounts receivable.

4. On or about December 31, 2003, defendant PAUL JAMES SPEESE signed and submitted a Borrowing Base Certificate to Wachovia which falsely represented that Datavision's accounts receivable totaled approximately \$9,017,714, when in fact, as defendant SPEESE knew, this representation was false and fictitious.

5. In or about January 2004, defendant PAUL JAMES SPEESE and other executives at Datavision participated in a meeting in which they discussed ways to manipulate Datavision's accounting records in order to inflate the total amount of Datavision's accounts receivable.

6. On or about January 31, 2004, defendant PAUL JAMES SPEESE signed

and submitted a Borrowing Base Certificate to Wachovia which falsely represented that Datavision's accounts receivable totaled approximately \$8,411,770, when in fact, as defendant SPEESE knew, this representation was false and fictitious.

7. In or about February 2004, defendant PAUL JAMES SPEESE and other executives at Datavision participated in a meeting in which they discussed ways to manipulate Datavision's accounting records in order to inflate the total amount of Datavision's accounts receivable.

8. On or about February 29, 2004, defendant PAUL JAMES SPEESE signed and submitted a Borrowing Base Certificate to Wachovia which falsely represented that Datavision's accounts receivable totaled approximately \$7,233,910, when in fact, as defendant SPEESE knew, this representation was false and fictitious.

9. In or about March 2004, defendant PAUL JAMES SPEESE and other executives at Datavision participated in a meeting in which they discussed ways to manipulate Datavision's accounting records to inflate the total amount of Datavision's accounts receivable.

10. On or about March 31, 2004, defendant PAUL JAMES SPEESE signed and submitted a Borrowing Base Certificate to Wachovia which falsely represented that Datavision's accounts receivable totaled approximately \$9,672,658, when in fact, as defendant SPEESE knew, this representation was false and fictitious. The actual amount of Datavision's total accounts receivable at that time was only approximately \$5,280,718.

11. In or about April 2004, based on the false representations submitted by defendant PAUL JAMES SPEESE to Wachovia in Datavision's monthly Borrowing Base Certificates, Datavision had obtained from Wachovia a total of approximately \$8,059,286, which

was approximately \$889,010 more than what Datavision was entitled to borrow under the Borrowing Agreement based on the true and actual amount of Datavision's accounts receivable at that time.

All in violation of Title 18, United States Code, Section 371.

COUNT TWO

THE ACTING UNITED STATES ATTORNEY FURTHER CHARGES THAT:

1. Paragraphs 1 through 5 and 7, and overt acts 1 through 11 of Count One are incorporated here.

2. On or about March 31, 2004, in the Eastern District of Pennsylvania, defendant

PAUL JAMES SPEESE

knowingly made, and aided and abetted, and willfully caused the making of, a false statement to Wachovia for the purpose of influencing the actions of Wachovia upon a loan, that is, a loan under the Borrowing Agreement between Datavision and Wachovia, in that defendant SPEESE, and others known to the Acting United States Attorney, caused to be submitted to Wachovia a false Borrowing Base Certificate in which defendant SPEESE represented that Datavision's accounts receivable totaled approximately \$9,672,658, when, as the defendant knew, the total amount of Datavision's accounts receivable at that time was only approximately \$5,280,718.

All in violation of Title 18, United States Code, Sections 1014 and 2.

LAURIE MAGID
Acting United States Attorney